

CLASSIFICATION **CONFIDENTIAL**
 CENTRAL INTELLIGENCE AGENCY
 INFORMATION FROM
 FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

50X1-HUM

CD NO.

COUNTRY China
 SUBJECT Economic - Industry
 HOW PUBLISHED Daily newspapers
 WHERE PUBLISHED Canton; Hong Kong; Peiping
 DATE PUBLISHED 31 May - 10 Jun 1950
 LANGUAGE Chinese

DATE OF INFORMATION 1950

DATE DIST. 18 Jul 1950

NO. OF PAGES 3

SUPPLEMENT TO REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50 U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

NORTHWEST PLANS INDUSTRIAL ADJUSTMENTS;
LI LI-SAN STRESSES NEED FOR MUNITIONS INDUSTRY

NORTHWEST CONFERENCE ADOPTS PLAN -- Canton Nan-fang Jih-pao, 2 Jun 50

Sian, 1 June (Hsin-hua) -- The first delegates conference of publicly operated industries in the Northwest was held from 25 April to 6 May 1950. The delegates adopted four main plans of action to increase production and improve operation of publicly operated industries.

1. Expansion of present Northwest markets and industries that will result in productive capital for the nation. To this end it was planned that 70,000 spindles would be added during 1950 to the spinning industry, wool-washing plants erected in Kansu, Tsinghai, and Ningsia, and electric power capacity increased in Sian, Lan-chou, Chien-yang (1) [numbers refer to appended characters], Ts'ai-chia-po (2), Nan-cheng (3), (Han-chung), and Yin-ch'uan (4).

2. In the case of industries that have an expansion potential for the future, but no present need of such expansion, such as the T'ien-shui (5) electric power plant, Sian flour mill, and the No 1 and No 2 coal mines in Ningsia, for the present they will continue at their present levels.

3. In the case of certain industries which cannot now be operated or whose markets are already oversupplied, such as the Sian soap factory, the Yen-an match factory, and the Hsi-ning leather works, reduction in size or mergers should be carried out.

4. Certain industrial units with no present market, with no future prospects, with obsolete equipment, and no operating value, such as the Yen-an hand-operated paper factory and the Ningsia match factory should be closed and their capital placed elsewhere.

The conference recognized as the greatest need in the Northwest the introduction of budgetary planning and democratic management to prevent waste in publicly operated industries. In many cases management is lagging behind labor in the development of political consciousness.

- 1 -

CONFIDENTIAL

CLASSIFICATION			CONFIDENTIAL		
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB	DISTRIBUTION		
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI			

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

LI LI-SAN ADDRESSES PEIPING CONFERENCE -- Hong Kong Wen-hui Pao, 10 Jun 50

Peiping, 9 June (Hsin-hua) -- The First Delegates Conference of the All-China Arsenal Workers Union opened on 8 June 1950 at Peiping. From all parts of the country came 131 workers, engineers, technicians, administrative personnel, and union officials. Discussions were held on the activities of the conference and how these activities were to be implemented. Members of the National Committee of the All-China Arsenal Workers Union were elected.

Li Li-san addressed the meeting and stressed the need for the workers to study technical and cultural subjects in order to improve the quality of the products and build up a modern national defense industry.

CHINA DEPARTMENT STORE CORPORATION INCREASES RATES -- Peiping Jen Min Jih-pao, 31 May 50

The Tung-pei Jih-pao reports that the Northeast Branch of the China Department Store Corporation, in order to carry out the policy that the company is a servant of commerce, is strongly promoting sale of industrial goods to supply the demands of the people.

Industrial production in the Northeast has increased this year and the company has increasingly absorbed these products. Of the industrial goods handled by this company during the first quarter 1950 57.6 percent were of domestic manufacture, a gain of 23 percent over the fourth quarter 1949. During March, 62.9 percent of the industrial goods supply of the company came from the products of the Ministry of Industry [Presumably of the Northeast government].

The company is also supplying raw materials and tools for both public and private industry. Supplied to public industries were 337 tons of gums and resins and thousands of files, tool knives, drill points, etc. To private industry 47 tons of candle materials and 42 tons of carbide were sold.

The company consistently follows a policy of promoting the improvement in quality of the products it handles in order that national products may meet market standards and that sales may be increased. An example of the application of this policy was the improvement of rubber shoes made by the Antung Rubber company. This product is in great demand in the Northeast.

The company has also taken an interest in bringing in partly processed goods for finishing in the area. During the first quarter of 1950 the company's turnover in this enterprise amounted to 270 billion Northeast yuan.

Four questions confront the company in its activities.

1. Its activities in buying up industrial products have outrun its sales activities; its inventories are high. For instance, in the comparatively good market of Mukden the company had an inventory at the end of March of metal goods amounting to more than 10,900,000,000 Northeast yuan, and of chemical raw materials, 13,300,000,000 Northeast yuan. During the first quarter 1950, the ratio of the value of imported industrial goods to the value of such goods sold was 10 to 3.

2. The problem of even distribution. In some areas goods cannot be sold, in others the demand cannot be met.

3. The problem of preventing inventories from growing without plan, thus tying up capital.

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

50X1-HUM

4. Quality, quantity, and prices. The company frequently has goods that cost more than going market prices and which are sometimes of inferior quality.

CHARACTERS

1. 咸陽
2. 蔡家坡

- E N D -

- 3 -

CONFIDENTIAL

CONFIDENTIAL